

August 29, 2019

Marlene Dortch
Secretary
Federal Communications Commission
445-12th Street SW
Washington, DC 20554

via ECFS, IBFS

Re: In the Matter of Application of Fusion Connect, Inc., Debtor-in-Possession and Telecom Holdings LLC For Consent to a Transaction That Will Result in a Change of Control of Companies Holding Domestic and International Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended: Supplement to Application

WC Ref: INBOX-63.04
ITC- ITC-ASG-20190724-00136

Dear Ms. Dortch:

On July 24, 2019, Fusion Connect, Inc., debtor-in-possession (“Fusion Connect”) and Telecom Holdings LLC (together with Fusion Connect, the “Applicants”) filed the above-referenced application (the “Application”) with the Federal Communications Commission (the “Commission”) for approval of a transfer of control of Fusion Connect and each of its subsidiaries that holds a Section 214 telecommunications license¹ (the “Transaction”). The Fusion Companies’ Chapter 11 Plan of Reorganization (the “Plan”) and Disclosure Statement, submitted in pre-final form as **Exhibit B** to the Application, proposed the reorganization transaction for which approval is sought in the Application and also allows for a sale process.

¹ Fusion Connect and these subsidiaries (collectively, the “Fusion Companies”) each commenced with the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) a voluntary case under chapter 11 of title 11 of the United States Code. *In re Fusion Connect, Inc., et al., Debtors*, Case No. 19-11811 (Bankr. S.D.N.Y. Jun. 3, 2019).

On August 27, 2019, the Fusion Companies filed the attached notice to inform the Bankruptcy Court that they are terminating the sale process with respect to the U.S. Fusion Companies.² The effect of this filing is to establish with complete certainty that the Transaction, as described in the Application, is the sole path forward for approval by the Bankruptcy Court.

Respectfully submitted,

FUSION CONNECT, INC.

/s/ Edward A. Yorkgitis, Jr.
Edward A. Yorkgitis, Jr.
Winafred R Brantl
Kelley Drye & Warren LLP
3050 K Street, NW, Suite 400
Washington, DC 20007
cyorkgitis@kelleydrye.com
wbrantl@kelleydrye.com
Its Attorneys

TELECOM HOLDINGS LLC

/s/ Wayne D. Johnsen
Wayne D. Johnsen
Wiley Rein LLP
1776 K Street NW
Washington, DC 20006
wjohnsen@wileyrein.com
Its Attorneys

² *Notice of Election to Pursue Reorganization Transaction and Termination of U.S. Sale Process*, Case No. 19-11811 (Bankr. S.D.N.Y, Aug. 27, 2019). A copy of the filing is provided as **Attachment 1**. Fusion Connect has two Canadian subsidiaries. The sale process for these Canadian subsidiaries will continue.

Attachment 1

*Notice of Election to Pursue Reorganization Transaction
and Termination of U.S. Sale Process.
(filed August 27, 2019)*

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Gary T. Holtzer
Sunny Singh

*Attorneys for Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X		
In re	:	Chapter 11
	:	
FUSION CONNECT, INC., et al.,	:	Case No. 19-11811 (SMB)
	:	
Debtors.¹	:	(Jointly Administered)
	:	
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**NOTICE OF ELECTION TO PURSUE REORGANIZATION
TRANSACTION AND TERMINATION OF U.S. SALE PROCESS**

PLEASE TAKE NOTICE THAT:

1. On June 3, 2019 (the “**Commencement Date**”), Fusion Connect, Inc. and its debtor subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) entered into that certain Restructuring Support Agreement (the “**RSA**”) with an ad hoc group of first lien lenders (collectively, the “**Consenting First Lien Lenders**”) holding approximately seventy percent (70%) of the total amount outstanding under

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Fusion Connect, Inc. (2021); Fusion BCHI Acquisition LLC (7402); Fusion NBS Acquisition Corp. (4332); Fusion LLC (0994); Fusion MPHC Holding Corporation (3066); Fusion MPHC Group, Inc. (1529); Fusion Cloud Company LLC (5568); Fusion Cloud Services, LLC (3012); Fusion CB Holdings, Inc. (6526); Fusion Communications, LLC (8337); Fusion Telecom, LLC (0894); Fusion Texas Holdings, Inc. (2636); Fusion Telecom of Kansas, LLC (0075); Fusion Telecom of Oklahoma, LLC (3260); Fusion Telecom of Missouri, LLC (5329); Fusion Telecom of Texas Ltd., L.L.P. (8531); Bircan Holdings, LLC (2819); Fusion Management Services LLC (5597); and Fusion PM Holdings, Inc. (2478). The principal executive office of the Debtors is located at 210 Interstate North Parkway, Suite 300, Atlanta, Georgia 30339.

that certain First Lien Credit and Guaranty Agreement, dated as of May 4, 2018 (the “**Prepetition First Lien Loans**”).

2. On July 1, 2019, the Debtors filed the *Joint Chapter 11 Plan of Fusion Connect, Inc. and Its Subsidiary Debtors* (ECF No. 146) (the “**Plan**”).

3. On July 3, 2019, the Court entered the *Order (I) Approving (A) Bidding Procedures and (B) Assumption and Assignment Procedures and (II) Granting Related Relief* (ECF No. 164) (the “**Bidding Procedures Order**”) authorizing the Debtors to solicit bids for the Debtors’ U.S. and Canadian businesses pursuant to the procedures set forth therein. Pursuant to the Bidding Procedures Order, the deadline for parties to submit non-binding indications of interest was July 16, 2019.

4. The Debtors and their advisors have evaluated the indications of interest received and communicated with numerous potential bidders. Based on this analysis, and with the support of each of the Consultation Parties (as defined in the Bidding Procedures Order), the Debtors have decided to terminate the sale process with respect to their U.S. business.² Accordingly, the Debtors will be pursuing a Reorganization Transaction (as defined in the Plan). Pursuant to the Reorganization Transaction embodied in the Plan, the New Equity Interests will be distributed to holders of Allowed First Lien Claims (each as defined in the Plan).

² The Debtors will continue to pursue the sale process with respect to their Canadian business.

5. Pursuant to the RSA, the Requisite First Lien Lenders (as defined in the RSA) consent to the Debtors' decision to terminate the Debtors' sale and marketing process for the Debtors' U.S. business and pursue the Reorganization Transaction.

Dated: August 27, 2019
New York, New York

/s/ Sunny Singh

WEIL, GOTSHAL & MANGES LLP

767 Fifth Avenue

New York, New York 10153

Telephone: (212) 310-8000

Facsimile: (212) 310-8007

Gary T. Holtzer

Sunny Singh

*Attorneys for Debtors
and Debtors in Possession*